GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:1872
ANSWERED ON:29.11.2007
SEPARATION OF ATC FROM AAI
Lagadapati Shri Rajagopal

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether there is any plan to separate Air Traffic Control (ATC) from the Airports Authority of India (AAI);

(b) if so, the reasons therefor;

(c) whether the Government proposed to set up ATC as a separate company;

(d) if so, the details thereof;

(e) whether separation of ATC from AAI will lead to losing of substantial revenue by AAI; and

(f) if so, the reaction of the Government thereto?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a), (b), (c), (d), (e) & (f) A Committee set up by the Government, under the chairmanship of Shri Naresh Chandra, former Cabinet Secretary, to prepare a Road Map for Civil Aviation Sector, has, inter-alia, recommended that ATC services be hived off from the current jurisdiction of Airports Authority of India (AAI), in line with the international trends, and be constituted as a separate corporate entity. AAI has accordingly engaged a Consultant to advise on the following:

(i) To examine various options available for corporatization of ANS services and make recommendations thereupon;

(ii) To estimate financial, commercial and other benefits, including qualitative benefits, of the corporatization of ANS services as per recommended structure;

(iii) To analyze the impact of corporatization of ANS services on AAI, specially in financial and HR terms, and suggest remedial measures, if required;

(iv) To suggest an appropriate organogram and economic model for the corporate entity, keeping in background the need for technology upgradation and international practices etc;

(v) To prepare a road-map for creation of the corporate entity with specific milestones;

(vi) To advise/assist in the legal/technical/procedural formalities; and

(vii) To make such other recommendations, as may be necessary, in this regard. As such, no final decision has been taken in the matter.